

MASTER EQUIPMENT LEASE–PURCHASE AGREEMENT

Dated as of March 1, 2012

This Master Equipment Lease-Purchase Agreement (this “*Master Lease*”) is made and entered into by and between PNC Equipment Finance, LLC (“*Lessor*”) and the Lessee identified below (“*Lessee*”).

Lessee: County of San Luis Obispo

1. Lease of Equipment.

Subject to the terms and conditions of this Master Lease, Lessor agrees to sell, transfer and lease to Lessee, and Lessee agrees to acquire, purchase and lease from Lessor, all Equipment described in each Schedule signed from time to time by Lessee and Lessor. Each Schedule signed and delivered by Lessor and Lessee pursuant to this Master Lease shall constitute a separate and independent lease and installment purchase of the Equipment therein described. This Master Lease is not a commitment by Lessor or Lessee to enter into any Lease not currently in existence, and nothing in this Master Lease shall be construed to impose any obligation upon Lessor or Lessee to enter into any proposed Lease, it being understood that whether Lessor or Lessee enter into any proposed Lease shall be a decision solely within their respective discretion.

2. CERTAIN DEFINITIONS.

All terms defined in the Lease are equally applicable to both the singular and plural form of such terms. (a) “*Equipment*” means the property described in each Schedule, together with all attachments, additions, accessions, parts, repairs, improvements, replacements and substitutions thereto. (b) “*Lease*” means each Schedule and the terms and conditions of this Master Lease incorporated therein. (c) “*Lien*” means any security interest, lien, mortgage, pledge, encumbrance, judgment, execution, attachment, warrant, writ, levy, other judicial process or claim of any nature whatsoever by or of any person. (d) “*Schedule*” means each Lease Schedule signed and delivered by Lessee and Lessor, together with all addenda, riders, attachments, certificates and exhibits thereto, as the same may from time to time be amended, modified or supplemented and, in the case of a Tax-Exempt Lease, in substantially the form attached to this Master Lease as *Lease Schedule A* or, in the case of a Taxable Lease, under which Lessee finances its acquisition and installment purchase of the related Equipment during the term of such Lease on a non-federally tax-exempt basis, in substantially the form attached to this Master Lease as *Lease Schedule B* or, in the case of a Taxable Lease under which Lessee rents the use of the Equipment for the term of the Lease subject to Lessee’s right to exercise its option to purchase such Equipment for its fair market value, in substantially the form attached to this Master Lease as *Lease Schedule C*. (e) “*Taxable Lease*” means a Lease that is not a Tax-Exempt Lease. (f) “*Tax-Exempt Lease*” means a Lease for which the interest component of Rent Payments is excludible from gross income of the owner or owners thereof for federal income tax purposes.

3. LEASE TERM.

The term of each Lease (“*Lease Term*”) commences on, and interest accrues from, the date identified in the related Schedule as the Commencement Date and, unless earlier terminated as expressly provided in the Lease, continues until Lessee’s payment and performance in full of all of Lessee’s obligations under such Lease.

4. RENT PAYMENTS.

4.1. For each Lease, Lessee agrees to pay to Lessor the rent payments ("*Rent Payments*") in the amounts and on the dates set forth in the *Payment Schedule A-1* attached to the Schedule (a "*Payment Schedule*"). A portion of each Rent Payment under a Tax-Exempt Lease is paid as and represents the payment of interest as set forth in the applicable Payment Schedule. Rent Payments under each Lease are payable out of the general and other funds of Lessee that are legally available therefor ("*Legally Available Funds*") in U.S. dollars, without notice or demand, at the office of Lessor identified below (or such other place as Lessor may designate from time to time in writing).

4.2. EXCEPT AS SPECIFICALLY PROVIDED IN SECTION 6 HEREOF, LESSEE'S OBLIGATION TO PAY RENT PAYMENTS UNDER EACH LEASE SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS AND SHALL NOT BE SUBJECT TO ANY SETOFF, DEFENSE, COUNTERCLAIM, ABATEMENT OR RECOUPMENT FOR ANY REASON WHATSOEVER, INCLUDING (WITHOUT LIMITATION) BY REASON OF EQUIPMENT FAILURE, DISPUTES WITH THE VENDOR(S) OR MANUFACTURER(S) OF THE EQUIPMENT OR LESSOR, ACCIDENT OR ANY UNFORESEEN CIRCUMSTANCES.

4.3. Lessor and Lessee understand and intend that the obligation of Lessee to pay Rent Payments under each Lease shall constitute a current expense of Lessee and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by Lessee, nor shall anything contained in any Lease constitute a pledge of the full faith and credit or taxing power of Lessee.

4.4. If Lessor receives any Rent Payment from Lessee later than ten (10) days after its due date, Lessee shall pay Lessor on demand from Legally Available Funds as a late charge five percent (5%) of such overdue amount, limited, however, to the maximum amount allowed by law.

5. DELIVERY; ACCEPTANCE; FUNDING CONDITIONS.

5.1. Lessee shall, at its sole expense, arrange for the transportation, delivery and installation of all Equipment to the location specified in the Schedule ("*Location*") by Equipment suppliers ("*Suppliers*") selected by Lessee.

5.2. Lessee shall accept Equipment for purposes of the related Lease as soon as it has been delivered and is operational. Lessee shall evidence its acceptance of any Equipment by signing and delivering to Lessor the applicable Schedule. If Lessee signs and delivers a Schedule and if all Funding Conditions have been satisfied in full, then Lessor will (a) pay or cause to be paid the costs to acquire and install the Equipment as stated in the Schedule ("*Purchase Price*") to the applicable Supplier or (b) reimburse Lessee for all or any portion of the Purchase Price to the extent previously paid by Lessee, in either case as Lessee shall direct.

5.3. Lessor shall have no obligation to pay any Purchase Price unless all reasonable conditions established by Lessor ("*Funding Conditions*") have been satisfied, including, without limitation, the following: (a) Lessee has signed and delivered to Lessor the Schedule and its related Payment Schedule; (b) no Event of Default or Non-Appropriation Event shall have occurred and be continuing under any Lease; (c) no material adverse change shall have occurred in the financial condition of Lessee; (d) the Equipment is reasonably satisfactory to Lessee and is free and clear of any Liens (except Lessor's Liens); (e) all representations of Lessee in the Lease remain true, accurate and complete; (f) the amount (if any) that Lessor may require in advance that Lessee apply to the payment of Equipment costs has been paid; and (g) Lessor has received all of the following documents, which shall be reasonably satisfactory, in form and substance, to Lessor: (1) evidence of insurance coverage or self-insurance required by the Lease; (2) an opinion of Lessee's counsel; (3) reasonably detailed invoices for the Equipment; (4) Uniform Commercial Code (UCC) financing statements with respect to the Equipment; (5) to the extent applicable, certificates

of title or certificates of origin (or applications therefor) noting Lessor's interest thereon; (6) copies of the minutes of a meeting of the Lessee's governing body, duly authorizing the Lease; and (7) such other documents and information previously identified by Lessor or otherwise reasonably requested by Lessor.

6. TERMINATION UPON NON-APPROPRIATION EVENT.

6.1. For each Lease, Lessee represents and warrants that (a) it has appropriated and budgeted Legally Available Funds to make all Rent Payments required pursuant to such Lease for the remainder of the fiscal year in which the Lease Term commences; and (b) it currently intends to make Rent Payments for the full Lease Term as scheduled on the applicable Payment Schedule so long as funds are appropriated for each succeeding fiscal year by its governing body. Lessee reasonably believes that moneys in an amount sufficient to make all Rent Payments can and will lawfully be appropriated and made available therefor.

6.2. If Lessee's governing body fails to appropriate sufficient funds in any fiscal year for Rent Payments and other amounts to be paid under a Lease in the next succeeding fiscal year, then a "*Non-Appropriation Event*" shall have occurred. If a Non-Appropriation Event occurs, then: (a) Lessee shall give Lessor written notice at least 30 days prior to the end of the then current fiscal year of such Non-Appropriation Event and provide written evidence of such failure by Lessee's governing body; (b) on the Return Date, Lessee shall return to Lessor all, but not less than all, of the Equipment covered by the affected Lease, at Lessee's sole expense, in accordance with Section 21 hereof; and (c) the affected Lease shall terminate on the Return Date without penalty or expense to Lessee, *provided*, that Lessee shall pay all Rent Payments and other amounts payable under the affected Lease for which funds shall have been appropriated, and *provided further*, that Lessee shall pay month-to-month rent at the rate set forth in the affected Lease for each month or part thereof that Lessee fails to return the Equipment under this Section 6.2. "*Return Date*" means the last day of the fiscal year for which appropriations were made for the Rent Payments due under a Lease.

7. NO WARRANTY BY LESSOR.

LESSEE ACQUIRES AND LEASES THE EQUIPMENT UNDER EACH LEASE "AS IS." LESSEE ACKNOWLEDGES THAT LESSOR DID NOT MANUFACTURE THE EQUIPMENT UNDER ANY LEASE. LESSOR DOES NOT REPRESENT THE MANUFACTURER, SUPPLIER, OWNER OR DEALER, AND LESSEE SELECTED THE EQUIPMENT BASED UPON LESSEE'S OWN JUDGMENT. LESSOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE OR AS TO THE EQUIPMENT'S VALUE, DESIGN, CONDITION, USE, CAPACITY OR DURABILITY. LESSEE AGREES THAT REGARDLESS OF CAUSE, LESSOR IS NOT RESPONSIBLE FOR, AND LESSEE WILL NOT MAKE ANY CLAIM AGAINST LESSOR FOR, ANY DAMAGES, WHETHER CONSEQUENTIAL, DIRECT, SPECIAL OR INDIRECT INCURRED BY LESSEE IN CONNECTION WITH THE EQUIPMENT UNDER ANY LEASE. NEITHER THE MANUFACTURER, SUPPLIER OR DEALER NOR ANY SALESPERSON, EMPLOYEE OR AGENT OF THE MANUFACTURER, SUPPLIER OR DEALER IS LESSOR'S AGENT OR HAS ANY AUTHORITY TO SPEAK FOR LESSOR OR TO BIND LESSOR IN ANY WAY. For and during the Lease Term under each Lease, Lessor assigns to Lessee any manufacturer's or Supplier's product warranties, express or implied, applicable to any Equipment and Lessor authorizes Lessee to obtain the customary services furnished in connection with such warranties at Lessee's sole expense. Lessee agrees that (a) all Equipment will have been purchased by Lessor in accordance with Lessee's specifications from Suppliers selected by Lessee, (b) Lessor is not a manufacturer or dealer of any Equipment and has no liability for the delivery or installation of any Equipment, (c) Lessor assumes no obligation with respect to any manufacturer's or Supplier's product warranties or guaranties, (d) no manufacturer or Supplier or any representative of said parties is an agent of Lessor and (e) any warranty, representation, guaranty or agreement made by any manufacturer or Supplier or any representative of said parties shall not be binding upon Lessor.

8. TITLE; SECURITY INTEREST.

8.1. Upon Lessee's acceptance of any Equipment under a Lease, title to such Equipment shall vest in Lessee, subject to Lessor's security interest therein and all of Lessor's other rights under such Lease including, without limitation, Sections 6, 20 and 21 hereof.

8.2. As collateral security for Lessee's obligations to pay all Rent Payments and all other amounts due and payable under each Lease and to perform and observe all covenants, agreements and conditions (direct or indirect, absolute or contingent, due or to become due or existing or hereafter arising) of Lessee under such Lease, Lessee hereby grants to Lessor a first priority, exclusive security interest in any and all of the Equipment (now existing or hereafter acquired) under each Lease and any and all proceeds thereof. Lessee agrees to execute and deliver to Lessor all necessary documents to evidence and perfect such security interest, including, without limitation, Uniform Commercial Code (UCC) financing statements and any amendments thereto and certificates of title or certificates of origin (or applications thereof) noting Lessor's interest thereon.

9. PERSONAL PROPERTY.

All Equipment is and will remain personal property and will not be deemed to be affixed or attached to real estate or any building thereon.

10. MAINTENANCE AND OPERATION.

Lessee shall, at its sole expense: (a) repair and maintain all Equipment in good condition and working order, in accordance with manufacturer's instructions, and supply and install all replacement parts or other devices when required to so maintain the Equipment or when required by applicable law or regulation, which parts or devices shall automatically become part of the Equipment; (b) use and operate all Equipment solely for the purpose of performing one or more governmental functions of Lessee and in a careful manner in the normal course of its operations and only for the purposes for which it was designed in accordance with the manufacturer's warranty requirements; and (c) comply with all laws and regulations relating to the Equipment. If any Equipment is customarily covered by a maintenance agreement, Lessee will furnish Lessor with a maintenance agreement by a party reasonably satisfactory to Lessor. No maintenance or other service for any Equipment will be provided by Lessor. Lessee will not make any alterations, additions or improvements ("*Improvements*") to any Equipment without Lessor's prior written consent unless the Improvements may be readily removed without damage to the operation, value or utility of such Equipment, but any such Improvements not removed prior to the termination of the applicable Lease shall automatically become part of the Equipment.

11. LOCATION; INSPECTION.

Equipment will not be removed from, or if Equipment is rolling stock its permanent base will not be changed from, the Location without Lessor's prior written consent which will not be unreasonably withheld. Upon reasonable notice to Lessee, Lessor may enter the Location or elsewhere during normal business hours to inspect the Equipment.

12. LIENS, SUBLEASES AND TAXES.

12.1. Lessee shall keep all Equipment free and clear of all Liens except those Liens created under each Lease. Lessee shall not sublet or lend any Equipment or permit it to be used by anyone other than Lessee or Lessee's employees.

12.2. Lessee shall pay when due all Taxes that may now or hereafter be imposed upon: any Equipment or its ownership, leasing, rental, sale, purchase, possession or use; any Lease; or any Rent Payments or any other payments due under any Lease. If Lessee fails to pay such Taxes when due, Lessor shall have the right, but not the obligation, to pay such Taxes. If Lessor pays any such Taxes, then Lessee shall, upon demand, immediately reimburse Lessor therefor. “*Taxes*” means present and future taxes, levies, duties, assessments or other governmental charges that are not based on the net income of Lessor, whether they are assessed to or payable by Lessee or Lessor, including, without limitation (a) sales, use, excise, licensing, registration, titling, gross receipts, stamp and personal property taxes and (b) interest, penalties or fines on any of the foregoing.

13. RISK OF LOSS.

13.1. Lessee bears the entire risk of loss, theft, damage or destruction of any Equipment in whole or in part from any reason whatsoever (“*Casualty Loss*”). No Casualty Loss to any Equipment shall relieve Lessee from the obligation to make any Rent Payments or to perform any other obligation under any Lease. Proceeds of any insurance recovery will be applied to Lessee’s obligations under this Section 13.

13.2. If a Casualty Loss occurs to any Equipment, Lessee shall immediately notify Lessor of the same and Lessee shall, unless otherwise directed by Lessor, immediately repair the same.

13.3. If Lessor determines that any item of Equipment has suffered a Casualty Loss beyond repair (“*Lost Equipment*”), then Lessee shall either: (a) immediately replace the Lost Equipment with similar equipment in good repair, condition and working order free and clear of any Liens (except Lessor’s Liens) and deliver to Lessor a purchase order, bill of sale or other evidence of sale to Lessee covering the replacement equipment, in which event such replacement equipment shall automatically be Equipment under the applicable Lease, or (b) on the next scheduled Rent Payment due date, pay Lessor (i) all amounts owed by Lessee under the applicable Lease, including the Rent Payment due on such date, plus (ii) an amount equal to the applicable Termination Value set forth in the Payment Schedule to the applicable Lease. If Lessee is making such payment with respect to less than all of the Equipment under a Lease, then Lessor will provide Lessee with the pro rata amount of the Termination Value to be paid by Lessee with respect to the Lost Equipment.

13.4. Lessee shall bear the risk of loss for, shall pay directly and shall defend against any and all claims, liabilities, proceedings, actions, expenses (including reasonable attorney’s fees), damages or losses arising under or related to any Equipment, including, but not limited to, the possession, ownership, lease, use or operation thereof. These obligations of Lessee shall survive any expiration or termination of any Lease. Lessee shall not bear the risk of loss of, nor pay for, any claims, liabilities, proceedings, actions, expenses (including attorney’s fees), damages or losses which arise directly from events occurring after any Equipment has been returned by Lessee to Lessor in accordance with the terms of the applicable Lease or which arise directly from the negligence or misconduct of Lessor.

14. INSURANCE.

14.1. (a) Lessee at its sole expense shall at all times keep all Equipment insured against all risks of loss or damage from every cause whatsoever (including collision in the case of vehicles) for an amount not less than the Termination Value of the Equipment under each Lease. Lessor shall be named as loss payee with respect to all insurance covering damage to or loss of any Equipment, and the proceeds of any such insurance shall be payable to Lessor as loss payee to be applied as provided in Section 13.3. (b) The Total Amount Financed as set forth on the applicable Payment Schedule does not include the payment of any premium for any liability insurance coverage for bodily injury and/or property damage caused to others and no such insurance will be purchased by Lessor. (c) Lessee at its sole expense shall at all times carry public liability and property damage insurance in amounts reasonably

satisfactory to Lessor protecting Lessee and Lessor from liabilities for injuries to persons and damage to property of others relating in any way to any Equipment. Lessor shall be named as additional insured with respect to all such public liability and property damage insurance, and the proceeds of any such insurance shall be payable first to Lessor as additional insured to the extent of its liability, and then to Lessee.

14.2. All insurers shall be reasonably satisfactory to Lessor. Lessee shall promptly deliver to Lessor satisfactory evidence of required insurance coverage and all renewals and replacements thereof. Each insurance policy will require that the insurer give Lessor at least 30 days prior written notice of any cancellation of such policy and will require that Lessor's interests remain insured regardless of any act, error, misrepresentation, omission or neglect of Lessee. The insurance maintained by Lessee shall be primary without any right of contribution from insurance which may be maintained by Lessor.

14.3. If Lessee is self-insured under an actuarially sound self-insurance program that is acceptable to Lessor with respect to equipment such as the Equipment under a Lease, Lessee shall maintain during the Lease Term of such Lease such actuarially sound self-insurance program and shall provide evidence thereof in form and substance satisfactory to Lessor.

15. PURCHASE OPTION.

Upon thirty (30) days' prior written notice by Lessee to Lessor, and so long as there is no Event of Default then existing, Lessee shall have the option to purchase all, but not less than all, of the Equipment subject to a Lease on any Rent Payment due date by paying to Lessor all Rent Payments then due (including accrued interest, if any) plus the Termination Value set forth on the Payment Schedule to the applicable Lease for such date. Upon satisfaction by Lessee of such purchase conditions, Lessor shall release its Lien on such Equipment and Lessee shall retain its title to such Equipment "AS-IS, WHERE-IS," without representation or warranty by Lessor, express or implied, except for a representation that such Equipment is free and clear of any Liens created by Lessor.

16. LESSEE'S REPRESENTATIONS AND WARRANTIES.

With respect to each Lease and the Equipment subject thereto, Lessee hereby represents and warrants to Lessor that:

- (a) Lessee has full power, authority and legal right to execute and deliver the Lease and to perform its obligations under the Lease, and all such actions have been duly authorized by appropriate actions of Lessee's governing body;
- (b) the Lease has been duly authorized, executed and delivered by Lessee and constitutes a legal, valid and binding obligation of Lessee, enforceable in accordance with its terms;
- (c) the Lease is authorized under, and the authorization, execution and delivery of the Lease complies with, all applicable federal, state and local laws and regulations (including, but not limited to, all open meeting, public bidding and property acquisition laws) and all applicable judgments and court orders;
- (d) the execution, delivery and performance by Lessee of its obligations under the Lease will not result in a breach or violation of, nor constitute a default under, any agreement, lease or other instrument to which Lessee is a party or by which Lessee's properties may be bound or affected;
- (e) there is no pending, or to the best of Lessee's knowledge threatened, litigation of any nature that may have a material adverse effect on Lessee's ability to perform its obligations under the Lease; and

(f) Lessee is duly organized and legally existing as a political subdivision, municipal corporation or similar public entity under the Constitution and laws of the State in which it is located and will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as such.

17. Intentionally omitted.

18. ASSIGNMENT.

18.1. Lessee shall not sell, assign, transfer, pledge, hypothecate or grant any Lien on, nor otherwise dispose of, any Lease or any Equipment or any interest in any Lease or Equipment.

18.2. Lessor may assign its rights, title and interest in and to any Lease or any Equipment, and/or may grant or assign a security interest in any Lease and its Equipment, in whole or in part, to any party at any time and from time to time without Lessee's consent. Any such assignee or lien holder (an "Assignee") shall have all of the rights of Lessor under the applicable Lease. LESSEE AGREES NOT TO ASSERT AGAINST ANY ASSIGNEE ANY CLAIMS, ABATEMENTS, SETOFFS, COUNTERCLAIMS, RECOUPMENT OR ANY OTHER SIMILAR DEFENSES WHICH LESSEE MAY HAVE AGAINST LESSOR, UNLESS LESSOR ASSIGNS ITS OBLIGATIONS UNDER THE LEASE TO ASSIGNEE. Unless otherwise agreed by Lessee in writing, any such assignment transaction shall not release Lessor from any of Lessor's obligations under the applicable Lease. An assignment or reassignment of any of Lessor's right, title or interest in a Lease or its Equipment shall be enforceable against Lessee only after Lessee receives a written notice of assignment that discloses the name and address of each such Assignee. Lessee shall keep a complete and accurate record of all such assignments in the form necessary to comply with Section 149(a) of the Code with respect to Tax-Exempt Leases and Section 163(f) of the Code with respect to Taxable Leases. Lessee agrees to acknowledge in writing any such assignments if so requested.

18.3. Subject to the foregoing, each Lease inures to the benefit of and is binding upon the successors and assigns of the parties hereto.

19. EVENTS OF DEFAULT.

For each Lease, "*Event of Default*" means the occurrence of any one or more of the following events as they may relate to such Lease: (a) Lessee fails to make any Rent Payment (or any other payment) as it becomes due in accordance with the terms of the Lease, and any such failure continues for ten (10) days after the due date thereof; (b) Lessee fails to perform or observe any of its obligations under Section 12.1, 14 or 18.1 hereof; (c) Lessee fails to perform or observe any other covenant, condition or agreement to be performed or observed by it under the Lease and such failure is not cured within thirty (30) days after receipt of written notice thereof by Lessor; (d) any statement, representation or warranty made by Lessee in the Lease or in any writing delivered by Lessee pursuant thereto or in connection therewith proves at any time to have been false, misleading or erroneous in any material respect as of the time when made; (e) Lessee applies for or consents to the appointment of a receiver, trustee, conservator or liquidator of Lessee or of all or a substantial part of its assets, or a petition for relief is filed by Lessee under any federal or state bankruptcy, insolvency, moratorium or similar law; or (f) Lessee shall be in default under any other Lease or under any other financing agreement executed at any time with Lessor.

20. REMEDIES.

If any Event of Default occurs, then Lessor may, at its option, exercise any one or more of the following remedies:

(a) Lessor may require Lessee to pay (and Lessee agrees that it shall pay) all amounts then currently due under all Leases and all remaining Rent Payments due under all Leases during the fiscal year in effect when the default occurs together with accrued interest on such amounts at the respective rates provided in such Leases from the date of Lessor's demand for such payment;

(b) Lessor may require Lessee to promptly return all Equipment to Lessor in the manner set forth in Section 21 (and Lessee agrees that it shall so return the Equipment), or Lessor may, at its option, enter upon the premises where any Equipment is located and repossess such Equipment without demand or notice, without any court order or other process of law and without liability for any damage occasioned by such repossession;

(c) Lessor may sell, lease or otherwise dispose of any Equipment, in whole or in part, in one or more public or private transactions, and if Lessor so disposes of any Equipment, then Lessor shall apply the entire proceeds of such disposition as follows: *first*, to pay costs that Lessor has incurred in connection with exercising its remedies; *second*, to payment of amounts that are payable by Lessee under clause (a) above; and *then* to payment of the Termination Value set forth in the applicable Payment Schedule for the last Rent Payment due date for the fiscal year in which the related default occurs; *provided, however*, that any disposition proceeds in excess of payment of all of the foregoing amounts shall be paid promptly by Lessor to Lessee;

(d) Lessor may terminate, cancel or rescind any Lease as to any and all Equipment;

(e) Lessor may exercise any other right, remedy or privilege that may be available to Lessor under applicable law or, by appropriate court action at law or in equity, Lessor may enforce any of Lessee's obligations under any Lease; and/or

(f) Lessor may require Lessee to pay (and Lessee agrees that it shall pay) all out-of-pocket costs and expenses incurred by Lessor as a result (directly or indirectly) of the Event of Default and/or of Lessor's actions under this Section, including, without limitation, any attorney fees and expenses and any costs related to the repossession, safekeeping, storage, repair, reconditioning or disposition of any Equipment.

None of the above remedies is exclusive, but each is cumulative and in addition to any other remedy available to Lessor. Lessor's exercise of one or more remedies shall not preclude its exercise of any other remedy. No delay or failure on the part of Lessor to exercise any remedy under any Lease shall operate as a waiver thereof, nor as an acquiescence in any default, nor shall any single or partial exercise of any remedy preclude any other exercise thereof or the exercise of any other remedy.

21. RETURN OF EQUIPMENT.

If Lessor is entitled under the provisions of any Lease, including any termination thereof pursuant to Section 6 or 20 hereof, to obtain possession of any Equipment or if Lessee is obligated at any time to return any Equipment, then (a) title to the Equipment shall vest in Lessor immediately upon Lessor's notice thereof to Lessee, and (b) Lessee shall, at its sole expense and risk, immediately de-install, disassemble, pack, crate, insure and return the Equipment to Lessor (all in accordance with applicable industry standards) at any location in the continental United States selected by Lessor. Such Equipment shall be in the same condition as when received by Lessee (reasonable wear, tear and depreciation resulting from normal and proper use excepted), shall be in good operating order and maintenance as required by the applicable Lease, shall be free and clear of any Liens (except Lessor's Lien) and shall comply with all applicable laws and regulations. Until Equipment is returned as required above, all terms of the applicable Lease shall remain in full force and effect including, without limitation, obligations to pay Rent Payments and to insure the Equipment. Lessee agrees to execute and deliver to Lessor all documents reasonably requested by Lessor to evidence

the transfer of legal and beneficial title to such Equipment to Lessor and to evidence the termination of Lessee's interest in such Equipment.

22. LAW GOVERNING; UCC ARTICLE 2A WAIVER.

(a) Each Lease shall be governed by the laws of the state in which Lessee is located (the "*State*").

(b) Lessee hereby willingly and knowingly waives any rights or remedies to which it may otherwise be entitled under Sections 508 through 522, inclusive, of Article 2A of the Uniform Commercial Code in effect in the State.

23. NOTICES.

All notices to be given under any Lease shall be made in writing and either personally delivered or mailed by certified mail to the other party at its address set forth herein or at such address as the party may provide in writing from time to time. Any such notices shall be deemed to have been received five (5) days subsequent to mailing if sent by regular or certified mail, or on the next business day if sent by overnight courier, or on the day of delivery if delivered personally.

24. FINANCIAL INFORMATION; INDEMNITY; POWER OF ATTORNEY.

24.1. Within thirty (30) days after their completion for each fiscal year of Lessee during any Lease Term, Lessee will deliver to Lessor upon Lessor's request the publicly available annual financial information of Lessee.

24.2. To the extent authorized by the laws of the State, Lessee shall indemnify, hold harmless and, if Lessor requests, defend Lessor and its shareholders, affiliates, employees, dealers and agents against all Claims directly or indirectly arising out of or connected with (a) the manufacture, installation, use, lease, possession or delivery of the Equipment, (b) any defects in the Equipment or any wrongful act or omission of Lessee or its employees and agents, or (c) any claims of alleged breach by Lessee of any Lease or any related document. "*Claims*" means all losses, liabilities, damages, penalties, expenses (including attorney's fees and costs), claims, actions and suits, whether in contract, tort or otherwise. Notwithstanding anything in any Lease to the contrary, any indemnity amount payable by Lessee as provided in this Section 24.2 shall be payable solely from Legally Available Funds.

24.3. Lessee hereby authorizes Lessor to prepare any instrument, certificate of title or financing statement covering the Equipment or otherwise protecting Lessor's interest in the Equipment; and to make claims for, receive payment of and execute and endorse all documents, checks or drafts for loss, theft, damage or destruction to the Equipment under any insurance.

25. SECTION HEADINGS.

All section headings contained herein or in any Schedule are for convenience of reference only and do not define or limit the scope of any provision of any Lease.

26. EXECUTION IN COUNTERPARTS.

This Master Lease and each Lease may be executed in several counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument; *provided, however*, that only Counterpart No. 1 of each Lease (including the terms and conditions of this Master Lease incorporated therein by reference) shall constitute chattel paper for purposes of the applicable Uniform Commercial Code.


27. ENTIRE AGREEMENT; WRITTEN AMENDMENTS.

Each Lease and other documents or instruments executed by Lessee and Lessor in connection therewith constitute the entire agreement between the parties with respect to the lease of the Equipment covered thereby, and such Lease shall not be modified, amended, altered or changed except with the written consent of Lessee and Lessor. Any provision of any Lease found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of the Lease.

<i>County of San Luis Obispo , as Lessee</i>		<i>PNC Equipment Finance, LLC as Lessor</i>
<i>Authorized Signature</i>		<i>Authorized Signature</i>
<i>Printed Name</i>		<i>Printed Name</i>
<i>Title</i>		<i>Title</i>

APPROVED AS TO FORM
AND LEGAL EFFECT

WARREN R. JENSEN
COUNTY COUNSEL
SAN LUIS OBISPO COUNTY

By 
Deputy County Counsel

Date 3/29/12

Lease Schedule A

Dated as of March 1, 2012

This Lease Schedule No. 158968000 (this “*Schedule*”) relates to the Master Equipment Lease-Purchase Agreement referenced below and, together with the terms and conditions of the Master Lease incorporated herein by reference, constitutes a Lease. Unless otherwise defined herein, capitalized terms will have the same meaning ascribed to them in the Master Lease. All terms and conditions of the Master Lease are incorporated herein by reference.

Master Equipment Lease-Purchase Agreement dated March 1, 2012.

1. *Equipment Description.* As used in the Lease, “*Equipment*” means all of the property described in the Payment Schedule attached to this Schedule and all attachments, additions, accessions, parts, repairs, improvements, replacements and substitutions thereto.
2. *Rent Payments; Lease Term.* The Rent Payments to be paid by Lessee to Lessor, the Commencement Date of this Lease and the Lease Term of this Lease are set forth on the Payment Schedule attached to this Schedule.
3. *Essential Use; Current Intent of Lessee.* Lessee represents that (a) the use of the Equipment is essential to Lessee’s proper, efficient and economic functioning or to the services that Lessee provides to its citizens, (b) the Equipment will be used by Lessee only for the purpose of performing its governmental or proprietary functions consistent with the permissible scope of its authority and will not be used in a trade or business of any person or entity, and (c) the useful life of the Equipment is not less than the stated full Lease Term of this Lease. Lessee has determined that a present need exists for the Equipment which need is not temporary or expected to diminish in the near future. Lessee currently intends for the full Lease Term: to use the Equipment; to continue this Lease; and to make Rent Payments so long as funds are appropriated by its governing body for the succeeding fiscal year.
4. *ACCEPTANCE OF EQUIPMENT.* AS BETWEEN LESSEE AND LESSOR, LESSEE AGREES THAT (a) LESSEE HAS RECEIVED AND INSPECTED ALL EQUIPMENT; (b) ALL EQUIPMENT IS IN GOOD WORKING ORDER AND COMPLIES WITH ALL PURCHASE ORDERS, CONTRACTS AND SPECIFICATIONS; (c) LESSEE ACCEPTS ALL EQUIPMENT FOR PURPOSES OF THE LEASE “AS-IS, WHERE IS”; AND (d) LESSEE WAIVES ANY RIGHT TO REVOKE SUCH ACCEPTANCE.

5. *Re-Affirmation of the Master Lease Representations, Warranties and Covenants.* Lessee hereby represents, warrants and covenants that its representations, warranties and covenants set forth in the Master Lease (particularly Sections 6.1 and 16 thereof) are true and correct as though made on the date of execution of this Schedule.

County of San Luis Obispo
, as Lessee

PNC Equipment Finance, LLC, as Lessor

Authorized Signature

Authorized Signature

Printed Name

Printed Name

Title

Title

Counterpart No. 1 of 1 manually executed and serially numbered counterparts. To the extent that this Lease constitutes chattel paper (as defined in the Uniform Commercial Code), no security or ownership interest herein may be created through the transfer or possession of any Counterpart other than Counterpart No. 1.

PAYMENT SCHEDULE A-1

Attached to and made a part of that certain Lease Schedule No. 158968000 dated as of March 1, 2012 by and between PNC Equipment Finance, LLC, as lessor, and County of San Luis Obispo, as lessee.

Commencement Date: _____

1. EQUIPMENT LOCATION & DESCRIPTION:

635 North Santa Rosa Street
San Luis Obispo, CA 93405
San Luis Obispo County

Quantity	Description	Serial No.
156	MSA M7 Self Contained Breathing Apparatus	
269	MSA H-45 LP Cylinder	
11	MSA RescueAire II less cylinder	

2. LEASE PAYMENT SCHEDULE:

(a) Total Amount Financed: \$814,309.87

(b) Payment Schedule:

Payment Number	Date	Payment	Interest	Principal	Termination*
1		\$162,861.97	\$0.00	\$162,861.97	\$664,476.86
2		\$162,861.97	\$0.00	\$162,861.97	\$498,357.65
3		\$162,861.97	\$0.00	\$162,861.97	\$332,238.44
4		\$162,861.97	\$0.00	\$162,861.97	\$166,119.23
5		\$162,861.97	\$0.00	\$162,861.99	\$1.00

County of San Luis Obispo, as Lessee

PNC Equipment Finance, LLC, as Lessor

Authorized Signature

Authorized Signature

Printed Name

Printed Name

Title

Title

FINAL RECEIPT CERTIFICATE

LEASE SCHEDULE NO. 158968000

Dated: March 1, 2012

Reference is made to the above Lease Schedule ("Schedule") and to the Master Lease-Purchase Agreement ("Master Lease") identified in said Lease Schedule, which have been executed and delivered by the undersigned Lessee ("Lessee") and PNC Equipment Finance, LLC ("Lessor"). This Certificate amends and supplements the terms and conditions of the Lease Schedule and is hereby made a part of the Lease Schedule. Unless otherwise defined herein, capitalized terms defined herein, capitalized terms defined in the Master Lease or the Lease Schedule shall have the same meaning when used herein.

Notwithstanding anything to the contrary, express or implied, in the Master Lease (including the Schedules attached thereto), Lessee agrees as follows:

1. **ACCEPTANCE OF EQUIPMENT.** AS OF THE ACCEPTANCE DATE STATED BELOW AND AS BETWEEN LESSEE AND LESSOR ONLY, LESSEE HEREBY AGREES THAT: (A) LESSEE HAS RECEIVED AND INSPECTED ALL OF THE EQUIPMENT DESCRIBED IN THE LEASE SCHEDULE ("EQUIPMENT"); (B) ALL EQUIPMENT IS IN GOOD WORKING ORDER AND COMPLIES WITH ALL PURCHASE ORDERS, CONTRACTS AND SPECIFICATION; (C) LESSEE ACCEPTS ALL EQUIPMENT FOR PURPOSES OF THE LEASE "AS-IS, WHERE-IS"; AND (D) LESSEE WAIVES ANY RIGHT TO REVOKE SUCH ACCEPTANCE.

ACCEPTANCE DATE: _____

2. **RENT PAYMENTS.** LESSEE HEREBY CONFIRMS THAT LESSEE WILL COMMENCE PAYMENT OF THE RENT PAYMENTS FOR THE EQUIPMENT IN THE AMOUNTS SPECIFIED IN LEASE SCHEDULE WITH THE FIRST RENT PAYMENT BEING DUE ON _____.

County of San Luis Obispo

("Lessee")

By: _____

Title: _____

INFORMATION REQUEST

LESSEE NAME: County of San Luis Obispo

FEDERAL TAX I.D. # 956000939

BILLING ADDRESS:

Billing Contact

Street Address or Post Office Box

City, State and Zip

Phone Number

Fax Number

PHYSICAL ADDRESS (IF DIFFERENT):

Street Address or Post Office Box

City, State and Zip

Require Board Approval for Payments? _____ Yes _____ No

Board Meeting Date? _____

Require signed vouchers for payments? _____ Yes _____ No

We typically mail our invoices 30 days in advance. Taking into account a 7-day mail period, do you foresee any problem that would prevent the payment from being received on or before the due date?

_____ Yes _____ No

Please list any special instructions below:

PNC EQUIPMENT FINANCE, LLC
INVOICE

LESSEE: County of San Luis Obispo

DATE: _____

DUE DATE: Upon Receipt

LEASE NUMBER: 158968000

TOTAL AMOUNT DUE:

RENTAL PAYMENT DUE \$162,861.97

MAKE CHECK PAYABLE TO: PNC Equipment Finance, LLC
P.O. Box 931034
Cleveland, OH 44135

- Please detach top portion and return with your payment.

Automated Clearing House (ACH)

Customer Name: County of San Luis Obispo

Anticipated First Date of Withdrawal: _____

Depository Account Information:

☐

Checking

☐

Savings

Account Number: _____

Routing / ABA #: _____

Name on Checking / Savings Account: _____

Bank Name: _____

Bank Address: _____

Note: A voided check must accompany this form to properly set up your account for ACH.

Lease / Loan Information:

☐

New Lease / Loan

☐

Existing Lease / Loan

Lessee Number: 1177194

Lease / Loan Number: 158968000

Customer hereby authorizes PNC Equipment Finance, LLC ("PNCEF") to initiate automated clearing house ("ACH") debit and credit entries in connection with payments to and/or advances from Customer's specified lease/loan account (including any payments due for prorated or interim rent, any security deposit, sales or property taxes, and documentation fees), all as indicated above, and to initiate, if necessary, additional entries and adjustments for any entries initiated in error, to Customer's deposit account (the "Account") at the depository bank as indicated above ("Depository"). Customer acknowledges that the origination of ACH transactions to the Account must comply with the provisions of U.S. Law. Customer agrees to be bound by and comply with the Rules of the National Automated Clearing House Association as they may be in effect from time to time. This authority will remain in full force and effect until PNCEF has received written notification from Customer of its termination, in such time and in such manner as to afford PNCEF and Depository a reasonable opportunity to act on it.

Authorized Signer

Date

Printed Name